



Centennial Tower
200 N. Loraine, Suite 1010
Midland, TX 79701
USA
432/683-7063
Fax 432/683-6847

RECEIVED
2008 SEP 29 PM 1 37

VIA CERTIFIED MAIL

September 23, 2008

OXY USA WTD limited partnership
Attn: Mr. Robbie Abraham
P. O. Box 4294
Houston, Texas 77210-4294

Re: **Osudo 33 State Com No 2 Well**
Section 33, W $\frac{1}{2}$, T-20-S, R-36-E,
NMPM, Lea County, New Mexico

Gentlemen:

Enclosed herewith is a copy of Order No R-12917-A, Case No 14171 from the State of New Mexico's Energy, Minerals and Natural Resources Department Oil Conservation Division for your review and files. Also enclosed is Samson Resources Company's Authority For Expenditure (AFE) totaling \$3,927,012. Said AFE is issued for the purpose of drilling, testing and completing Samson's Osudo 33 State Com No 2 Well, to be located 660' FSL and 660' FWL of Section 33, T20S, R36E, NMPM, Lea County, New Mexico, as an 11,750 foot Morrow test well.

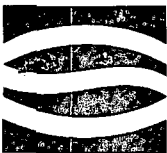
OXY USA WTP Limited Partnership has thirty (30) days (i.e.: by Wednesday, October 22, 2008) to make an election to either; (i) participate in the drilling of the well by paying your proportionate share of the cost of the well up front (i.e.: by Wednesday October 22, 2008) to Samson Resources Company, or (ii) be a "non consenting pooled working interest owner" in accordance with and subject to all terms and provisions of Compulsory Pooling Order No R-12917-A, Case No 14171.

Upon the receipt of the enclosed AFE or upon your specific request, we will forward to you a Joint Operating Agreement for your review and execution. You will need to furnish me with your well information requirements. Should you have any questions concerning this matter please contact me at 1 (432) 686-6309.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas R. Land'.

Thomas R. Land, CPL
Senior District Landman



SAMSON
AFE

Well Name:	Osudo 33 State Com No 2	Division:	Tight & Unconventional Gas
Legal Location:	660' FSL & 660' FWL Sec 33 T20S R36E	Prospect:	NM Morrow
Proposed TD:	PTd 11,750'	County, State:	Lea, New Mexico
Objective:	Primary Objectives are Morrow Sands with secondary objectives uphole in the Bone Spring, Wolfcamp, Strawn & Atoka		

CODE	DRY HOLE	
2700-001	Surface Damages & Right of Way	25,000
2700-002	Roads & Location	75,000
2700-003	Rathole & Conductor Service	10,000
2700-004	Mobilization / Demobilization	125,000
2700-005	Drilling Daywork 37 days	700,758
2700-006	Drilling Footage	0
2700-007	Drilling Turnkey	0
2700-008	Fuel, Water & Power	225,000
2700-008	Fuel, Water & Power (ACP)	6,500
2700-009	Mud, Materials & Services	110,000
2700-010	Bits, Reamers & Stabilization	150,000
2700-011	Directional Equipment & Services	0
2700-012	Rental Equipment	170,000
2700-013	Logging - Drilling	0
2700-213	Logging & Formation Evaluation - Geology	110,000
2700-014	Cementing - Eqpt, Materials & Services	110,000
2700-015	Inspection Services	18,780
2700-016	Transportation	20,000
2700-017	Supervision & Technical Personnel	52,000
2700-018	Pipe Crews - Equipment & Labor	24,500
2700-019	Labor & Supplies	11,250
2700-020	Insurance	15,624
2700-021	Overhead	12,500
2700-022	Plugging & Abandonment	0
2700-028	Miscellaneous & Contingency	183,000
2700-035	Location Restoration (Dryhole)	25,000
2700-135	Location Restoration (Completion)	0
2700-038	Closed Mud System, Materials, & Services	185,000
2700-329	Legal & Regulatory	25,000
2800-001	Protective/Surface Csg: feet @ \$ per ft	13,700
2800-002	Intermediate Csg: feet @ \$ per ft	213,000
2800-003	Liner: feet @ \$ per ft	320,000
2800-105	Production Tbg: feet @ \$ per ft	0
2800-008	Wellhead Equipment	25,000
COMPLETION		
2700-102	Roads & Location	5,000
2700-005	Drilling Daywork	48,000
2700-108	Fuel, Water & Power	25,000
2700-009	Mud, Materials & Services (Drilling ACP)	0
2700-109	Kill Fluids, Mud, & Services (Completion)	0
2700-010	Bits, Reamers & Stabilization (Drilling ACP)	0
2700-110	Bits, Reamers & Stabilization (Completion)	0
2700-012	Rental Equipment (Drilling ACP)	0
2700-112	Rental Equipment (Completion)	40,000
2700-113	Logging - Production	14,000
2700-014	Cementing - Eqpt, Materials & Services (Drilling ACP)	35,000
2700-114	Cementing - Eqpt, Materials & Services (Completion)	0
2700-015	Inspection Services (Drilling ACP)	0
2700-115	Inspection Services (Completion)	0
2700-016	Transportation (Drilling ACP)	0
2700-116	Transportation (Completion)	15,000
2700-017	Supervision & Technical Personnel (Drilling ACP)	2,400
2700-117	Supervision & Technical Personnel (Completion)	10,000
2700-018	Pipe Crews - Equipment & Labor (Drilling ACP)	20,000
2700-118	Pipe Crews - Equipment & Labor (Completion)	0
2700-019	Labor & Supplies (Drilling ACP)	2,500
2700-119	Labor & Supplies (Completion)	10,000
2700-120	Insurance	0
2700-121	Overhead	0
2700-123	Completion Rig 10 days at \$5,000.00 per day	50,000
2700-125	Perforating	20,000
2700-126	Acidizing, Fracturing & Sand Control LIST ZONES:	175,000
2700-127	Wireline Services -- not including perforating	0
2700-128	Miscellaneous & Contingency	70,000
2700-329	Legal & Regulatory	\$0
2800-003	Liner:	0
2800-004	Prod Csg:	24,400
2800-105	Production Tbg:	79,100
2800-008	Wellhead Equipment	15,000
2800-109	Surface Equipment	220,000
2800-110	Subsurface Equipment	65,000
2800-111	Artificial Lift Equipment	0
2800-116	Pipeline & Meter Facilities	20,000
TOTAL COST		\$3,927,012

TOTAL DHC \$2,961,612
TOTAL CMPL COST \$965,400

APPROVAL SIGNATURE _____
COMPANY _____
DATE _____